Calendar No. 2323

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2299

NATIONAL CONSERVATION ANNIVERSARY COMMISSION

JUNE 25 (legislative day, JUNE 22), 1956.—Ordered to be printed

Mr. MURRAY, from the Committee on Interior and Insular Affairs, submitted the following

REPORT

[To accompany S. J. Res. 139]

The Committee on Interior and Insular Affairs, to whom was referred the resolution (S. J. Res. 139) to provide for the observance and commemoration of the 50th anniversary of the first conference of State governors for the protection, in the public interest, of the natural resources of the United States, having considered the same, report favorably thereon with amendments and recommend that the resolution as amended do pass.

On May 14, 1956, the Committee on the Judiciary was discharged from further consideration of the measure, and it was referred to the Committee on Interior and Insular Affairs. Public hearings were held on June 7.

Committee action was unanimous.

THE RESOLUTION

Senate Joint Resolution 139 provides for the establishment of a commission to arrange for observance and commemoration of the 50th anniversary of the 1st conference of State governors on conservation in the United States and generally promote a realization among citizens of the importance of protecting and conserving our natural resources.

The proposed Commission will include representatives of the executive and legislative branches, and is to expand itself to 35 members by the appointment of 15 representatives of groups interested in conservation and 10 citizens at large from private life. Necessary appropriations to conduct the Commission's work are authorized.

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BACKGROUND

In 1908 President Theodore Roosevelt, who had been impressed by Gifford Pinchot with the urgency of conservation problems, called a conference of the governors of the States on the subject. The governors convened in Washington May 12, 1908. They were addressed by President Roosevelt on May 13, 1908, and, after their deliberations, adopted resolutions upon which a growing conservation movement in the United States has been based.

Conservation's beginning in the Nation preceded the conference of State governors. Development of water transportation, irrigation, and reclamation, were underway. Many individuals and organizations had for some years realized and worried that at least some of America's resources are not inexhaustible. They saw the necessity for the prudent management of watersheds and renewable resources. They foresaw the necessity for exploration, development, and prudent use of mineral resources.

The conference of governors called by President Roosevelt was, however, the first official, Federal recognition of conservation—the protection and wise use of all our resources to achieve optimum values for all the people of the Nation—as a broad national problem involving all citizens and all levels of government. The conference is appropriately regarded as the beginning of today's conservation movement.

PURPOSE OF SENATE JOINT RESOLUTION 139

The United States increasing population and widely distributed purchasing power, affording an unequaled standard of living and high consumption by its citizens, plus the drain of two world wars, has created a demand on our resources beyond the conception of even those men who attended the 1908 conference.

Despite gigantic strides which have been taken in the conservation field, including the reservation of forest and range lands, establishment of national parks and monuments, extension of waterways and flood-control works, creation of the Bureau of Reclamation, the Tennessee Valley Authority, the Soil Conservation Service, and numerous other agencies in the conservation field, there is agreement that far more must be done; that the subject "will in the future demand much more thought and effort than we, as a nation, have seen fit to give in the past."

President Dwight D. Eisenhower and many leaders in industry, agriculture, labor, science, and education have declared that as the Nation has grown, conservation problems have become more pressing than ever.

One of the biggest problems in achieving conservation results is a lag between professional understanding of the problems and public understanding. It has taken decades to attain the present extensive public understanding of the necessity for soil conservation. But erosion of land could not be stopped simply by passing a law. It requires the cooperation of the public and millions of landowners.

The Congress and the executive branch now have before them many comprehensive and expert reports on water and resources problems and policies. They describe many resource problems which, like erosion control, require more than a law to correct. They require public understanding and cooperation.

The commemoration of the 50th anniversary of the 1st governors conference on conservation problems proposed by Senate Joint Resolution 139 offers an unusual opportunity to give impetus to the conservation movement in several ways.

There can be an official stocktaking of how far we have progressed in the field, where we stand, and what the years ahead require.

There will be stimulated discussion and debate essential to public understanding and democratic determination of resource policy.

There will be created an unparalleled opportunity to focus public attention on conservation needs and issues.

WIDESPREAD INTEREST

The committee has received assurances from executives of mass media—press, radio, television, and magazines—that they will give space and time as a public service in emphasizing conservation during an anniversary year.

Representatives of many great national organizations have pledged their participation, without cost to the Government, in assisting with the Commission's work and in directing public attention to conservation questions during 1958. Several organizations will make conservation the theme of their educational programs and of meetings during the anniversary year.

Witnesses are in unanimous agreement that the proposed commemoration is not only an appropriate tribute to conservation pioneers, but an unusual opportunity to advance the movement which they founded.

The administrative agencies have reported favorably on the creation of the Commission, suggesting amendments to the resolution which have been considered and adopted where feasible.

Support within Congress itself is evidence by the fact that Senate Joint Resolution 139 has 61 Senatorial sponsors and has been introduced more than 50 times in the House of Representatives.

The committee was honored at its hearings by the appearance of Mrs. Gifford Pinchot, widow of the former Governor of Pennsylvania and first Federal Forest Service Director, on behalf of the resolution.

Other supporters included Morris L. Cooke, Chairman of the President's Water Resources Policy Commission which provided a comprehensive report on that subject in 1951, and Mr. William S. Paley, Chairman of the President's Materials Policy Commission of 1951–52.

AMENDMENTS

Amendments to Senate Joint Resolution 139 approved by the committee were:

1. On page 1, fifth line under the caption "Joint Resolution," strike "1957" and insert "1958".

2. On page 1, last line, strike the words "May 14, 1907" and insert "May 13, 1908".

3. On page 4, line 1, strike the word "Memorial" and insert the word "Aniversary".

4. On page 4, line 6, after the words "honorary chairman" strike the semicolon, insert a comma, and insert after the comma the following: "the Secretary of Agriculture, and the Secretary of Interior, ex officio."

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5. On page 4, line 12, strike the first word "may" and insert the word "shall".

6. On page 5, line 2, add the following new sentence:

> The Commission is authorized to appoint such volunteer special project committees, task forces, and advisory groups as will advance the work, and it shall seek the cooperation and participation of all citizens, and of groups and associations with activities in the conservation field, in bringing conservation's importance to public attention during the year 1958.

PURPOSE OF THE AMENDMENTS

Amendments 1 and 2 correct dates to accord with fact.

Amendment 3 changes the name of the proposed Commission from "National Conservation Memorial Commission" to "National Conservation Anniversary Commission" to give its title a clear connotation that conservation is a continuing matter.

Amendment 4 adds the Secretaries of Agriculture and Interior to the Commission as ex officio members.

Amendment 5 requires the appointment of citizens and representatives of groups with a conservation interest to the Commission.

Amendment 6 authorizes the Commission to use project committees, task forces, and advisory groups to advance its work, specifying that they shall be "volunteer" or unpaid groups.

During consideration of the joint resolution, it became apparent that there are scores of groups and citizens eager to participate in the proposed commemoration. The authorization of official special committees, task forces, and advisory groups is intended to give the Commission a means of giving official recognition to individuals and groups cooperating in its work beyond the necessarily limited number given recognition in the membership of the Commission itself.

REPORTS OF EXECUTIVE AGENCIES

The favorable reports of the Bureau of the Budget and the Department of the Interior on Senate Joint Resolution 101, an earlier measure substantially identical to Senate Joint Resolution 139, are set forth in full.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., May 15, 1956.

Hon. JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs,
United States Senate, Washington, D. C.

MY DEAR MR. CHAIRMAN: This will acknowledge your letter of September 1, 1955, inviting the Bureau of the Budget to comment on Senate Joint Resolution 101, a joint resolution to provide for the observance and commemoration of the 50th anniversary of the founding and launching of the conservation movement for the protection of the public interest, of the natural resources of the United States.

The resolution would establish a National Conservation Memorial Commission consisting initially of the President of the United States

as honorary chairman, the President of the Senate and 4 Members of the Senate appointed by him, and the Speaker of the House of Representatives and 4 Members of the House appointed by him. These Members would select a chairman from among themselves and the Chairman could, with the advice of the Commission, and 15 members representing national nonprofit conservation organizations and 10 citizens at large from private life. The Commission would have the function of preparing and carrying out a comprehensive plan for the observance and commemoration of the 50th anniversary of the birth of the conservation movement.

The Bureau of the Budget agrees that the contributions of the conservation movement of the United States to the national welfare have been so important that it is fitting to commemorate the 50th anniversary of its birth. The Bureau also concurs in the desirability of establishing a commission to take the leadership in planning and carrying out the anniversary observances. However, we believe that the resolution would be made to conform more closely to comparable past legislation and that the achievement of its objectives would be facilitated if amended as suggested below.

First, it is suggested that the function of appointing representatives of conservation organizations and citizens at large be lodged in the President rather than in the Chairman of the Commission. This is an executive function normally assigned the President. Presidential appointments also carry with them a distinction conducive to the success of a body of this sort. Congress has recognized the desirability of Presidential appointment of citizen members in such recent statutes as those establishing the Jamestown-Williamsburg-Yorktown Celebration Commission (Public Law 263, 83d Cong.), the United States Commission for the Celebration of the Two Hundredth Anniversary of the Birth of John Marshall (Public Law 581, 83d Cong.), the Alexander Hamilton Bicentennial Commission (Public Law 601, 83d Cong.), the Woodrow Wilson Centennial Celebration Commission (Public Law 705, 83d Cong.), the National Monument Commission (Public Law 742, 83d Cong.), the Boston National Historic Sites Commission (Public Law 75, 84th Cong.), the Theodore Roosevelt Centennial Commission (Public Law 183, 84th Cong.), and the Franklin Delano Roosevelt Memorial Commission (Public Law 372, 84th Cong.).

Second, it is suggested that the resolution provide that the President choose the Chairman of the Commission from among the members appointed by him. If the Commission is to function effectively, the Chairman must be prepared to devote a substantial amount of time to its work. For this reason it would seem desirable for the Chairman to be a person from private life who would not be burdened by the demands of another public office. The appropriate language from the acts establishing the Jamestown-Williamsburg-Yorktown Celebration Commission and the Woodrow Wilson Centennial Commission is recommended.

Third, it is suggested that the resolution be amended to add to the Commission the Secretaries of the Interior and Agriculture, or such officials of those Departments as the respective Secretaries may designate. The vital role played by the Departments of the Interior and Agriculture in the conservation of natural resources fully justifies their being represented on a commission of the type contemplated by the resolution.

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Fourth, the resolution as now worded would authorize a possibly unwieldly membership of 35 persons on the Commission. It is suggested that the President be empowered to limit the size of the Commission by the insertion of the phrase "not more than" before the word "fifteen" in line 10 of page 4 and before the word "ten" in line 12 of page 4.

Fifth, it is suggested that the language authorizing appropriations (sec. 3 (b)) be replaced by the more general wording appearing in section 6 of the act establishing the Commission for the Celebration of the Two Hundredth Anniversary of the Birth of John Marshall. The effect would be to remove the $100,000 limitation on appropriations. In the case of several of the commissions mentioned above it has been necessary for the Congress to amend the initial enactments to increase the appropriation limitations so that the organizations could effectively execute their prescribed functions. The Congress would be able to control the funds made available to the Commission through the normal appropriations process.

If this measure is amended as suggested above, the Bureau of the Budget would favor its enactment.

Sincerely yours,

PERCIVAL BRUNDAGE, *Director.*

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., May 22, 1956.

Hon. JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs,
United States Senate, Washington, D. C.

MY DEAR SENATOR MURRAY: You have requested an expression of the views of this Department on Senate Joint Resolution 101, a resolution to provide for the observance and commemoration of the 50th anniversary of the founding and launching of the conservation movement for the protection in the public interest, of the natural resources of the United States.

We heartily endorse the purposes of Senate Joint Resolution 101 and are glad to note that it contemplates that the proposed National Conservation Memorial Commission shall not only "prepare and carry out a comprehensive plan for the observance and commemoration of the 50th anniversary of the birth of the conservation movement in the United States" but shall also "promote among all citizens a realization of the importance of protecting the natural resources of the United States."

This Department comprises, I believe, the largest group of conservation agencies in the Government. It and its National Park Service, Fish and Wildlife Service, Bureau of Reclamation, Geological Survey, Bureau of Land Management, Bureau of Mines, Bureau of Indian Affairs, and power agencies are, all of them, vitally interested in and a part of the conservation movement. Many of their activities are a direct outgrowth of the insistence of President Theodore Roosevelt, as noted in the preamble to Senate Joint Resolution 101, on the importance of conservation. We will therefore be glad to assist and participate in carrying out the terms of the joint resolution.

Two minor suggestions which your committee may wish to consider in marking up Senate Joint Resolution 101 have occurred to us:

(1) Though the distinction between "protecting" and "conserving" is a subtle one, we believe that the latter word would be preferable to the former in line 18, page 4.

(2) Consideration might well be given to supplementing the provisions of section 1 (b) to provide for membership on the National Conservation Memorial Commission of the heads of those Federal departments and agencies which play an important role in carrying out the conservation functions of the Federal Government.

You have already received from the Director of the Bureau of the Budget that agency's comments on Senate Joint Resolution 101. Its letter to you contains many valuable suggestions in which we concur.

The Bureau of the Budget has advised that there would be no objection to the submission of this report to your committee.

Sincerely yours,

WESLEY A. D'EWART,
Assistant Secretary of the Interior.

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Calendar No. 2324

84TH CONGRESS, 2d Session } SENATE { REPORT No. 2300

AUTHORIZING AFTERCARE PAYMENTS BY THE YOUTH DIVISION OF THE UNITED STATES BOARD OF PAROLE

JUNE 25 (legislative day, JUNE 22), 1956.—Ordered to be printed

Mr. KEFAUVER, from the Committee on the Judiciary, submitted the following

REPORT

[To accompany S. 1087]

The Committee on the Judiciary, to which was referred the bill (S. 1087) to authorize aftercare payments by the Youth Division of the United States Board of Parole, having considered the same, reports favorably thereon with amendments and recommends that the bill, as amended, do pass.

AMENDMENTS

1. On page 1, commencing with line 5, strike out all down to and including the word "authorized" in line 6, and insert in lieu thereof the following:

There are hereby authorized to be appropriated such sums as may be necessary to enable the Division.

2. On page 2, line 8, change the period to a comma, strike the end quote, and add the following:

or who have been committed under any Federal law and are under the age of twenty-two years.

PURPOSE

The purpose of the proposed legislation is to authorize the Youth Division of the United States Parole Board to make money payments known as aftercare payments to youth offenders or juvenile delinquents who have been released from Federal institutions on parole.

STATEMENT

The investigation of the Judiciary Subcommittee To Investigate Juvenile Delinquency has shown that when juveniles, adjudged youthful

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offenders, are released on parole from Federal institutions, the most critical period in their readjustment to community life is the first 90 days immediately after their release. Statistics show that the vast majority of parolees violate their parole during this period simply because, unable to find work, they cannot support themselves.

Existing law makes no provision for financial assistance to these parolees. In fact, prisoners discharged from Federal institutions are allotted merely $30 in cash, transportation, and clothing upon release (18 U. S. C. 4281). The law does allow loans from profits derived from the operation of prison commissaries and canteens. However, very little money is available from this source.

At the present time, only four States offer the assistance proposed by this bill to parolees and the rules of public welfare agencies deny aid to employable persons except in an emergency.

The subcommittee's study disclosed that a large percentage of youths eligible for parole require special planning for their release. This may be occasioned by the fact that the youth may not have a suitable home or may have been rejected by his family or there are no relatives or friends interested to undertake supervision of him. Upon the finding of any of these conditions, he may be retained in the Federal institution for longer periods than necessary for rehabilitation, which experience has shown is harmful in that the youth may become disillusioned and the accomplishments of the period of rehabilitation may be lost. The standards of eligibility proposed by S. 1087 are:

1. That the person be under 22 years of age;
2. That the parolee have been originally adjudged a juvenile offender;
3. That the Youth Division shall make a finding of "substantial need" or that the payments will allow earlier release from a Federal institution;
4. That applications for aftercare payments shall be made within 90 days after release on parole; and
5. That no sums in excess of $200 shall be paid to the parolee.

Aftercare assistance may be required for a variety of problems including basic maintenance, funds to implement vocational training undertaken while in an institution, or as an aid in becoming established in some trade or occupation.

Experience has shown no matter how successful the treatment program for rehabilitation of these juveniles while in the institution, if some help is not available upon their parole, they may be driven back into crime out of desperation.

The practical assistance in the form of financial aid provided in this bill is a greatly needed additional resource in the program for rehabilitation of juveniles and youthful offenders paroled from Federal institutions.

Testimony adduced at the hearings on bill S. 1087 was highly favorable and it was suggested that the bill be amended to extend to "all youth committed under Federal law who have not attained their 22d birthday." The subcommittee has no objection to this amendment.

As originally introduced, S. 1087 provided that funds to carry out the terms of this bill be taken out of the appropriation for support of United States prisoners. The Deputy Attorney General recommended in his report, to wit:

It is suggested, however, that the appropriation for "Support of United States prisoners" should not be used to implement this legislation. For one thing, that appropriation is administered by the Bureau of Prisons solely for the care of Federal prisoners not in Federal institutions. Also, it would seem inadvisable to have 1 appropriation under the control of 2 separate authorities—the Bureau of Prisons and the Youth Correction Division of the Board of Parole. Accordingly, it is recommended that the bill be amended to authorize necessary appropriations for carrying out its provisions.

The subcommittee is in accord with this further amendment.

After consideration of all the facts, the committee recommends that S. 1087, as amended, be considered favorably.

Attached to this report, and made a part thereof, are the reports of the Department of Justice and of the Youth Correction Division of the Board of Parole.

DEPARTMENT OF JUSTICE,
OFFICE OF THE DEPUTY ATTORNEY GENERAL,
Washington, April 20, 1955.

Hon. HARLEY M. KILGORE,
Chairman, Committee on the Judiciary,
United States Senate, Washington, D. C.

DEAR SENATOR: This is in response to your request for the views of the Department of Justice relative to the bill (S. 1087) to authorize aftercare payments by the Youth Division of the United States Board of Parole.

This bill will amend the Federal Youth Corrections Act so as to provide that the Youth Correction Division may, upon a finding of substantial need, make money payments to a person released under parole supervision when, in the opinion of the Division, such payments will aid in the adjustment of the recipient or will permit an earlier release from a Federal institution. The measure provides, however, that no parolee shall receive more than $200, and that no parolee shall be eligible for a payment after the first 90 days of parole supervision. By its terms the bill is limited in its application to parolees who had originally been adjudged youthful offenders or juvenile delinquents under the provisions of chapters 402 and 403, of title 18, United States Code, respectively, or the pertinent provision of the District of Columbia Code. Finally, the measure provides that the money necessary for its operation shall be drawn from the appropriation for support of United States prisoners.

The Department of Justice is in hearty accord with the objectives of this legislation and recommends its prompt enactment. The first 90 days is the most critical period of parole adjustment and too often the progress that has been made by a youthful offender or a juvenile along the road of rehabilitation while confined is lost upon his return to the free community because he is unable financially to support himself during this period. Statistics show that the vast majority of parolees violate their parole during the first 90 days after their release from institutions and that a major cause of the violation is a lack of the necessary funds to carry them through that 3-month period.

It is suggested, however, that the appropriation for support of United States prisoners should not be used to implement this legislation. For one thing, that appropriation is administered by the Bureau of Prisons solely for the care of Federal prisoners not in Federal institutions. Also, it would seem inadvisable to have 1 appropriation under the control of 2 separate authorities—the Bureau of Prisons and the Youth Correction Division of the Board of Parole. Accordingly, it is recommended that the bill be amended to authorize necessary appropriations for carrying out its provisions.

The Bureau of the Budget has advised that there is no objection to the submission of this report.

Sincerely,

WILLIAM P. ROGERS,
Deputy Attorney General.

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DEPARTMENT OF JUSTICE,
UNITED STATES BOARD OF PAROLE,
Washington, May 17, 1955.

Hon. ESTES KEFAUVER,
Chairman, Subcommittee to Investigate Juvenile Delinquency,
United States Senate, Washington, D. C.

DEAR SENATOR KEFAUVER: As requested at the hearing on Senate bill 1087 before the Senate Subcommittee To Investigate Juvenile Deliqnquency, I would like to make the following suggestions regarding Senate bill 1087.

During the hearing on Senate bill 1087 (which provides for aftercare funds for parolees under the Federal Youth Act), it was suggested that possibly the language in the bill should include not only (*a*) committed youth offenders, (*b*) Federal Juvenile Delinquency Act, and (*c*) juveniles from the District of Columbia, but also other youths committed under the general law in youth institutions who are in the general age bracket covered by the Youth Corrections Act and the Federal Juvenile Delinquency Act, i. e., all youths and juveniles up to age 22. It seems to me that this broader language would be in keeping with the general thinking behind Senate bill 1087 and would also give the Youth Correction Division of the United States Board of Parole, which serves as the paroling authority for all six youth institutions under the Federal Bureau of Prisons where, by and large, the age group covered are housed, the same resources for handling these youths without regard as to whether they were committed as committed youth offenders.

It would appear that by simply adding a line (9) on page 2 of the bill that this could be accomplished as follows: "and all youth committed under Federal law who have not attained their 22d birthday."

May I again thank you for the vital interest which you have shown in implementing the Federal Youth Corrections Act, and I trust that in the next 2 to 5 years we will be able to show some results that will justify the confidence which you and other Members of the Senate have shown in the Federal youth program.

Very sincerely yours,

GEORGE J. REED,
Chairman, Youth Correction Division.

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Calendar No. 2338

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2314

MAYLAND TOWNSHIP, CARPIO, N. DAK.

JUNE 25 (legislative day, JUNE 22), 1956.—Ordered to be printed

Mr. EASTLAND, from the Committee on the Judiciary, submitted the following

REPORT

[To accompany S. 3016]

The Committee on the Judiciary, to which was referred the bill (S. 3016) for the relief of Mayland Township, Carpio, N. Dak., having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE

The purpose of the proposed legislation is to relieve the Mayland Township, Carpio, N. Dak., of all liability to pay the United States the sum of $310.22 representing the balance due and owing the United States for the removal of a certain amount of gravel from the upper Souris National Wildlife Refuge under permits issued by the Fish and Wildlife Service of the Department of the Interior in August 1955.

STATEMENT

Under title IV of the act of June 15, 1935 (16 U. S. C. 1952 ed., sec. 715s), Congress authorized the participation by the States (to the extent of 25 percent) in revenues from certain wildlife refugees. Pursuant to this statute, special use permits were granted to Mayland Township for the removal of gravel from the upper Souris National Wildlife Refuge, such gravel to be obtained at the price of 7 cents a yard. The township removed 5,146 yards of gravel in accordance with 2 permits that were granted to it in August 1955 and made a nominal deposit of $50 for the cost of the gravel. The sum of $310.22 represents the amount that remains due for the United States for such gravel. The gravel was used for public purposes, to wit, for the construction of public roads.

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The Committee understands that the Fish and Wildlife Service is expressly prohibited from donating gravel in this case by section 401 of the act of June 15, 1935 (16 U. S. C. 7158), which act provides that surplus materials and spontaneous products of the soil, including gravel, shall be sold and that 25 percent of all money received during each fiscal year shall be paid to the county in which the refuge is located for the benefit of public schools and roads. The upper Souris refuge occupies space in Ward County and Renville County in North Dakota and proceeds from such gravel permits are prorated between said counties to the extent of 25 percent and the people of the county receive the benefits therefrom. The Department of the Interior is opposed to the enactment of this measure in that they find no valid reason for making an exception to the requirements of the statutes and to the regulations of the Department. They state:

> * * * Of significance in this connection, we believe, is a Comptroller General's decision (B–90578) of May 15, 1950, concerning the removal of large quantities of gravel from the upper Souris refuge by the United States Corps of Engineers. The Comptroller General emphasized in that case that the transfer of property, without charge, even to another Government agency, would be contrary to the intent of the Congress, as expressed in the cited act of June 15, 1935, as such a transfer would deny a county of its portion of the revenues as provided in the act.

The records available to the committee indicate that the gravel was used by the said township for the building of public roads. Evidence available to the committee indicates that a considerable percentage of the gravel was in the form of large rocks and clay material which could not be used in this manner without being processed, and thus the township was not able to fully utilize the material. In view of the fact that the gravel was used for public purposes and in further view of the fact that the township was unable to fully utilize all of the gravel due to the poor condition of same, the committee is constrained to recommend that this measure be favorably considered.

Attached hereto and made a part hereof are reports from the Fish and Wildlife Service and letters and other documents pertaining to this bill.

DEPARTMENT OF THE INTERIOR,
FISH AND WILDLIFE SERVICE,
Washington, D. C., January 11, 1956.

Hon. WILLIAM LANGER,
United States Senate,
Washington, D. C.

MY DEAR SENATOR LANGER: In our letter of December 28 we advised that the matter of donating gravel from the upper Souris National Wildlife Refuge to the Mayland Township was being referred to our Solicitor's Office for an opinion.

We have been advised that Public Law 167, 84th Congress, does not apply to this transaction, and that no provision is made under this act for the donation of gravel in accordance with the request by Mr. Walter Troxel.

This legal interpretation leaves no alternative except to request Mayland Township to comply with the terms of their contract.

Sincerely yours,

JOHN L. FARLEY, *Director.*

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., February 23, 1956.

Hon. HARLEY M. KILGORE,
Chairman, Committee on the Judiciary,
United States Senate, Washington, D. C.

MY DEAR SENATOR KILGORE: Your committee has requested a report on S. 3016, a bill for the relief of Mayland Township, Carpio, N. Dak. This bill would relieve the township of all liability to pay to the United States the sum of $310.22, representing the balance due and owing the United States for gravel removed by such township for public road purposes from the upper Souris National Wildlife Refuge.

We recommended that S. 3016 be not enacted. Approval of this proposed legislation would create an undesirable precedent. As thereafter indicated, it would be inconsistent with a previous enactment of the Congress relating to the disposition of certain materials in wildlife refuges.

Title IV of the act of June 15, 1935 (16 U. S. C. 1952 ed., sec. 715s), authorized the participation by the States (to the extent of 25 percent) in revenues from certain wildlife refuges. Special-use permits were granted to Mayland Township for the removal of gravel from the upper Souris National Wildlife Refuge, such gravel to be obtained at the price of 7 cents a yard. The township removed 5,146 yards of gravel in accordance with 2 permits that were granted to it and made a nominal deposit of $50 for the cost of the gravel. The sum of $310.22 represents the amount that remains due the United States.

We understand that the gravel was used for a public purpose; however, we find no valid reason for making an exception to the requirements of the statute and to the regulations of this Department. Of significance in this connection, we believe, is a Comptroller General's decision (B–90578) of May 15, 1950, concerning the removal of large quantities of gravel from the upper Souris refuge by the United States Corps of Engineers. The Comptroller General emphasized in that case that the transfer of property, without charge, even to another Government agency, would be contrary to the intent of the Congress, as expressed in the cited act of June 15, 1935, as such a transfer would deny a county of its portion of the revenues as provided in the act.

The Bureau of the Budget has advised that there is no objection to the submission of this proposed legislation to the Congress.

Sincerely yours,

WESLEY A. D'EWART,
Assistant Secretary of the Interior.

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33D LEGISLATIVE ASSEMBLY,
STATE OF NORTH DAKOTA,
Berthold, N. Dak., October 27, 1955.

Hon. WILLIAM LANGER,
Washington, D. C.

DEAR SENATOR LANGER: We are wondering why township taking gravel from the Souris Wildlife Refuge should be required to pay for it as the gravel is on Government property and is used on public roads.

They even charge us for the rocks that are screened out that we cannot use at all.

I understand the refuge in the vicinity of Powers Lake charges 5 cents per yard for the gravel taken.

I think this gravel should be made available for public roads gratis as the public in general benefits from it.

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With kindest personal regards, I am,
Yours very respectfully,

WALTER TROXEL,
Member, Mayland Board of Supervisors.

DEPARTMENT OF THE INTERIOR,
FISH AND WILDLIFE SERVICE,
Washington, November 21, 1955.

Hon. WILLIAM LANGER,
United States Senate, Washington 25, D. C.

MY DEAR SENATOR LANGER: The attitude of your constituent, Mr. Walter Troxel, as expressed to you in his letter of October 27 concerning the procurement of gravel from our upper Souris National Wildlife Refuge, Foxholm, N. Dak., is readily understandable. Regardless of the merits of his justification, this is not a matter that can be settled by arbitrary decision.

Donation of gravel to the Mayland Township, Carpio, N. Dak., by the Fish and Wildlife Service is prohibited under section 401 of the act of June 15, 1935 (49 Stat. 383–16 U. S. C. 7158). This act provides that surplus materials and spontaneous products of the soil, including gravel, shall be sold and that 25 percent of all money received during each fiscal year shall be paid to the county in which the refuge is located for the benefit of public schools and roads. Ward County's share of the receipts from the upper Souris refugee for the fiscal year 1955 was $1,382.70 and Renville County's prorated share by acreage was $4,928.12. Obviously the local people do benefit from this program, and in most instances the return is far greater than it would be on the same land under private ownership.

Mr. Troxel's letter is returned in accordance with your request.

Sincerely yours,

ROBERT H. JOHNSON, *Acting Director.*

DEPARTMENT OF THE INTERIOR,
FISH AND WILDLIFE SERVICE,
Washington, D. C., December 28, 1955.

Hon. WILLIAM LANGER,
United States Senate, Washington 25, D. C.

MY DEAR SENATOR LANGER: In accordance with the suggestion of your letter of December 16, we are referring the matter of the donation of gravel from the upper Souris National Wildlife Refuge to the Mayland Township, to our Solicitor's Office for an opinion.

Public Law 167, 84th Congress, deals specifically with public lands, and we are doubtful, after a preliminary study of this act, that it would apply to this transaction, since the upper Souris Refuge is acquired land. Further, the act provides that disposition may be made with the following exceptions: (1) "Is not otherwise expressly authorized by law * * *" and (2) "is not expressly prohibited by laws of the United States."

Another obstacle in acceding to Mr. Troxel's request that this gravel be furnished without reimbursement, is the contract which exists between the Mayland Township and the Service. The terms of this contract have been complied with, and the final billing has been prepared and submitted for payment. In our opinion, it would be impossible to cancel the contract and the request for payment, unless a definite advantage to the Government can be shown.

We shall advise you of our final decision as soon as we are able to obtain a legal interpretation on this matter.

Sincerely yours,

JOHN L. FARLEY, *Director.*

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Calendar No. 2367

84TH CONGRESS, 2d Session } SENATE { REPORT No. 2343

AMENDING THE TEXAS CITY DISASTER CLAIMS ACT

JUNE 25 (legislative day, JUNE 22), 1956.—Ordered to be printed

Mr. EASTLAND, from the Committee on the Judiciary, submitted the following

REPORT

[To accompany H. R. 11499]

The Committee on the Judiciary, to which was referred the bill (H. R. 11499) to amend the Texas City Disaster Claims Act, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE

The purpose of the proposed legislation is to encompass in the provisions of the Texas City Disaster Claims Act approximately 17 claims which have been discovered to have been inadvertently excluded from the provisions of that act.

STATEMENT

Public Law 378, 84th Congress, 1st session, is an act to compensate those who suffered death, personal injury, or property losses as a result of the disaster at Texas City, Tex., on April 16 and 17, 1947.

It provides, among other things, for compensating only those claimants who had already filed claims in a United States district court prior to April 25, 1950.

At the hearings, in 1954, on the legislation which become Public Law 378, it was pointed out that some 6 or 7 years had passed since the disaster, and the committee, in order to prevent the filing of false and bogus claims, restricted the legislation to those claims which had already been filed in the United States district court under the Federal Tort Claims Act. April 25, 1950, was the last day within which claimants were eligible to file claims, under that act, against the United States Government. In drafting the legislation that became Public Law 378, Congress inadvertently used the language "prior to" April 25, 1950, the last day on which claims would be recognized.

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This action resulted in precluding from the relief which Public Law 378 affords, those who had timely filed their claims under the Federal Tort Claims Act.

The present bill will amend Public Law 378 so as to make eligible those claims filed on April 25, 1950, and will make its provisions consistent with the statute of limitation provisions in the Federal Tort Claims Act.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

TEXAS CITY DISASTER CLAIMS ACT

(Public Law 378, 84th Cong., 1st sess.)

* * * * * * *

SEC. 3. (a) Claimants shall submit their claims in writing to the Secretary of the Army, under such rules as he prescribes, within one hundred eighty days after the enactment of this Act.

No claim shall be entertained by the Secretary of the Army unless it shall appear to his satisfaction that such claim was a part of a civil action filed against the United States in a United States district court [prior to] *on or before* April 25, 1950, except that, for good cause, the Secretary may waive the limitation date of April 25, 1950, where it is shown that claimant, by reason of infancy, insanity, or other legal reason, was unable to bring such civil action.

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Calendar No. 2368

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2344

RELIEVING CERTAIN VETERANS

JUNE 25 (legislative day, JUNE 22), 1956.—Ordered to be printed

Mr. EASTLAND, from the Committee on the Judiciary, submitted the following

REPORT

[To accompany H. R. 1761]

The Committee on the Judiciary, to which was referred the bill (H. R. 1761) to relieve certain veterans who relied on an erroneous interpretation of the law from liability to repay a portion of the subsistence allowances which they received under the Servicemen's Readjustment Act of 1944, having considered the same, reports favorably thereon with an amendment and recommends that the bill, as amended, do pass.

AMENDMENT

On page 2, line 20, commencing with the word, "for" strike out down to and including the word "thereof" in line 21.

PURPOSE

The purpose of the proposed legislation, as amended, is to relieve certain former students of the University of California and Stanford University of liability to repay overpayments of subsistence allowances paid while they were enrolled in the universities under title II of the Servicemen's Readjustment Act of 1944, and were also employed by the Veterans' Administration as clinical psychologist trainees on a part-time basis. The bill would also authorize payment by the Government to individuals of any amounts that have been repaid to the United States or have been withheld from amounts due them by reason of such liability.

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STATEMENT

Students attending the University of California and Stanford University under title II of the Servicemen's Readjustment Act of 1944 participated in a Veterans' Administration training program for clinical psychologists. This training program was established in 1946 to meet a need in the Veterans' Administration for fully qualified persons in the field of clinical psychology. Under the program, selected students were to be employed on a part-time basis at Veterans' Administration installations where neuropsychiatric cases were treated. These students were to be paid salaries, at hourly rates, based on established salary scales.

At the time that the program was initiated there was no ceiling upon the combined amount which a veteran-trainee might receive from subsistence allowances and earnings from productive labor. In 1946, Public Law 679 of the 79th Congress added the following language to paragraph 6 (a), part VIII, of Veterans' Regulation No. 1 (a):

Provided, That in no event shall the rate of such allowance plus the compensation received exceed $175 per month for a veteran without a dependent or $200 per month if he has a dependent or dependents.

The limitation was again amended in 1948 by Public Law 512 so as to read:

Provided, That in no event shall the rate of such allowance plus the compensation received exceed $210 per month for a veteran without a dependent, or $270 per month for a veteran with one dependent, or $290 for a veteran with two or more dependents: *Provided further*, That only so much of the compensation as is derived from productive labor based on the standard workweek for the particular trade or industry, exclusive of overtime, shall be considered in computing the rate of allowances payable under this paragraph.

During the time that veterans were in training they were required to submit an estimate of anticipated compensation from productive labor. The overpayments in the cases covered by this bill resulted from a retroactive reduction in the rate of subsistence allowance based on a finding that the veterans had failed to report their earnings in the manner prescribed.

It appears that the erroneous reporting of anticipated earnings resulted from a misunderstanding as the the interpretation of regulations relating to a "standard workweek" and overtime compensation in connection with the clinical psychology training program. The students in good faith had concluded that work over the standard of 20 hours a week would be considered as overtime and would not have to be reported. This impression was reinforced by a similar interpretarion of the regulations by coordinators to the training programs at the universities.

The Veterans' Administration, the Comptroller General, and the Bureau of the Budget interpose no objection to the enactment of this legislation.

In view of these circumstances it is recommended that this bill be reported favorably.

Attached hereto and made a part hereof are the following: Letter from Veterans' Administration dated July 5, 1955; letter of Howard F. Hunt, Ph. D., Veterans' Administration clinical psychology training program, and a letter from the Comptroller General of the United States dated March 15, 1955.

VETERANS' ADMINISTRATION,
Washington, D. C., July 5, 1955.

Hon. EMANUEL CELLER,
Chairman, Committee on the Judiciary,
House of Representatives, Washington, D. C.

DEAR MR. CELLER: This is with further reference to your request for a report by the Veterans' Administration with respect to H. R. 1761, 84th Congress, a bill to relieve certain veterans who relied on an erroneous interpretation of the law from liability to repay a portion of the subsistence allowances which they received under the Servicemen's Readjustment Act of 1944.

H. R. 1761 proposes to relieve certain former students of the University of California and Stanford University from liability to repay overpayments of subsistence allowances which developed while they were simultaneously enrolled in these institutions as veteran-trainees under title II of the Servicemen's Readjustment Act of 1944, as amended, and employed by the Veterans' Administration as clinical psychologist trainees on a part-time basis. It would likewise authorize the Secretary of the Treasury to pay to each such individual an amount equal to the sum of all amounts which have been repaid to the United States, or which have been withheld from amounts otherwise due, by reason of the mentioned liability.

The training program for clinical psychologists was established in 1946 by the Veterans' Administration in conjunction with cooperating universities to meet a pressing need in the Veterans' Administration for fully qualified persons in their professional field. The program contemplated the part-time employment at Veterans' Administration installations where neuropsychiatric cases were treated, of selected students of clinical psychology, in connection with their education at certain universities approved by the Administrator of Veterans' Affairs. The trainees were to be paid salaries, at hourly rates, based on established salary scales. Publications issued by the Veterans' Administration with respect to this program indicated that the clinical psychologist trainees would be expected to work in Veterans' Administration installations a minimum of 20 hours per week (or 22 hours when the Veterans' Administration was on a 44-hour week), and could work any number of hours per week up to, but not including, full time.

The clinical psychologist trainees' program was not restricted to veterans; however, those who were eligible for education or training under title II of the Servicemen's Readjustment Act of 1944, or vocational rehabilitation training under Public Law 16, 78th Congress, could pursue the program under those acts. All of the persons within the scope of H. R. 1761, 84th Congress, were enrolled under the Servicemen's Readjustment Act. Thus, their tuition, fees, books, supplies, etc., were paid for by the Government, and they received a monthly subsistence allowance, separate from their earnings as Veterans' Administration employees.

At the time this program was inaugurated there was no statutory ceiling upon the combined rate of the subsistence allowances and earnings from productive labor which the veteran-trainee might receive. This situation was changed by the enactment of Public Law 679, 79th Congress, approved August 8, 1946, which, among other things, added the following language to paragraph 6 (a), part VIII, Veterans Regulation No. 1 (a), as amended: "*Provided*, That in no event shall the rate of such allowance plus the compensation received exceed $175 per month for a veteran without a dependent or $200 per month if he has a dependent or dependents."

Instructions implementing this provision excluded occasional overtime from consideration; however, compensation for regularly scheduled overtime was subject to the ceiling. This ceiling provision was amended by section 1, Public Law 512, 80th Congress, approved May 4, 1948, to read as follows: "*Provided*, That in no event shall the rate of such allowance plus the compensation received exceed $210 per month for a veteran without a dependent, or $270 per month for a veteran with one dependent, or $290 for a veteran with two or more dependents: *Provided further*, That only so much of the compensation as is derived from productive labor based on the standard workweek for the particular trade or industry, exclusive of overtime, shall be considered in computing the rate of allowances payable under this paragraph."

During the period of training in question, veterans pursuing full-time training in institutions of higher learning were required at the time of entrance or reentrance into training to submit an estimate of anticipated compensation for productive labor. If on the basis of such estimate of earnings entitlement to the maximum rate of subsistence allowance appropriate to the veteran's case was indicated he was not required to submit regular periodic reports of income. All

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veterans were, however, advised of the provisions of the law relating to the ceilings on combined earnings and subsistence allowance and that a report must be submitted to the Veterans' Administration at such time as earnings plus subsistence allowance exceeded the statutory ceiling. The overpayments in the subject cases resulted from a retroactive reduction in the rate of subsistence allowance based on a finding that the veterans had failed to report their earnings in the manner prescribed.

As stated, clinical psychologist trainees were expected to work at least 20 hours per week, and could work any number of hours per week, up to, but not including full time. The standard workweek for Veterans' Administration employees, including clinical psychologists, was 40 hours per week (44 hours per week during certain periods). However, it appears that an understanding developed among trainees at the University of California and Stanford University that, notwithstanding the situation relating to other types of Veterans' Administration employment, 20 hours per week was the standard workweek applicable to clinical psychologist trainees. The trainees who would be relieved by the enactment of H. R. 1761 acted upon the foregoing "understanding" and furnished the Veterans' Administration with reports of their estimated income based upon a 20-hour workweek; although, in many instances, their actual hours of employment were consistently in excess of this amount.

It appears that this situation continued into 1950, and until these cases were reviewed by the Veterans' Administration regional office, San Francisco, Calif. (the office which at all times had jurisdiction over the payments of subsistence allowances to them), and the overpayments established.

In the letters to the veterans advising them of these overpayments and requesting refunds therefor, they were informed that under applicable laws and regulations recovery of the overpayments might be waived if the veteran was without fault in accepting the checks and recovery would either defeat the purpose of the benefits otherwise authorized or would be against equity and good conscience. The applicable statute in this connection is section 28 of the World War Veterans' Act, 1924, as amended (38 U. S. C. 453).

A number of the clinical psychologist trainees requested that the overpayments be waived and such cases were developed by means of extensive field examinations.

While the explanations of the trainees naturally varied in details, the statement of Mrs. Mary D. Rauch, C11627145, whose case was before your committee during the 83d Congress (H. R. 5386, 83d Cong.) may be considered as broadly typical.

In a deposition dated February 6, 1951, Mrs. Rauch stated, in effect, that she had been aware of the ceiling on combined earnings and subsistence allowance at the time she started training and of the increase in the ceiling at about the time of the act of May 4, 1948; that during her participation in the clinical psychologist training program, the academic demands were great, necessitating the performance of her clinical work at irregular hours and at night or on weekends; that the amount and time of work varied at the several Veterans' Administration installations at which she had worked; that when she first started to work in excess of 20 hours a week it was her understanding that such excess work was considered as overtime and need not be reported for subsistence allowance purposes; that this understanding was based on advice from the senior trainees who had informed her that the coordinator of training programs at the Univeristy of California had indicated that such work was to be considered as overtime and need not be reported; that since almost all of the regulations of the training program had, throughout the training, been given by word of mouth, she had no reason to doubt that this was the official interpretation; that on the report of her income dated January 18, 1948, the chief of psychology, Veterans' Administration Hospital, Fort Miley, Calif., added a notation to the effect that she was paid in excess of the amount stated on the form but that such excess was paid for occasional overtime and requested that he be advised if this interpretation was correct; that she did not recall seeing the notation prior to the time the deposition was taken in 1951 but it seemed reasonable to believe that this was the understanding in 1948 and that she had reported the excess to him; that since no objection was raised to the practice, she continued to assume that it was acceptable; that since the demands on the training installations at this time were great and the trainees were requested to work longer hours, they felt some responsibility to do so, not only to provide service for the Veterans' Administration but also to enrich their experience in the field of clinical work; and that she had no intent to defraud the United States and acted in good faith throughout the training program.

The coordinator of the training program at the University of California, referred to by the veteran, was contacted during the field examination. He

indicated that in his role as coordinator the problem arose as to what constituted a "standard workweek" for the trainees and what work would be considered as overtime for purposes of the reports required in connection with the trainees' subsistence allowance. He stated that it was the "common understanding" of all concerned that 20 hours was to be considered as the standard workweek and that income for work beyond the 20 hours need not be reported for subsistence allowance purposes. He understood that this was based on an assurance by a Veterans' Administration official whose name he did not know. He stated, however, that the coordinator of the training program at Stanford University was more closely connected with the Veterans' Administration in resolving this question. The coordinator at Stanford (Dr. Howard F. Hunt) was also interviewed. He advised that when the question arose as to how the students should report their earnings, he discussed the matter with Veterans' Administration employees and sent a letter to the Veterans' Administration indicating that a standard workweek of 20 hours would be desirable. He also told the field examiner that he understood that certain Veterans' Administration officials at the then branch office agreed with his recommendation. Neither of the officials produced any written evidence to support their understanding in the matter.

The letter mentioned by Dr. Hunt, together with certain memorandums bearing the signature of officials of the former Veterans' Administration Branch Office No. 12, were located in the files of the Veterans' Administration area clinical psychologist at San Francisco. This material is reproduced, in full, at this point:

STANFORD UNIVERSITY, CALIF., *May 8, 1947.*

Dr. H. M. HILDRETH,
Branch Chief, Clinical Psychologist,
Branch Office, Veterans' Administration, San Francisco, Calif.

DEAR DR. HILDRETH: This is to inform you that the university considers the normal, regular workweek of each VA trainee to consist of 20 hours of hospital work. This evaluation is based on VA Circular No. 105, and the academic part of the training program is scheduled and planned in terms of a VA workload of 20 hours per week. For a student to maintain status we consider that he must work this amount of time in the clinical situation.

Sincerely yours,

HOWARD F. HUNT, Ph. D.,
VA Clinical Psychology Training Program.

MAY 26, 1947.

Mr. M. F. Moriarty, Superintendent Accounts Auditor, Finance Service;
Dr. H. M. Hildreth, Branch Chief Clinical Psychologist, Medical Service, Clinical Psychology Students:

1. Attached is a copy of a letter dated May 8 from Dr. Howard Hunt, who is in charge of the VA clinical psychology training program of Stanford University.

2. As you will note, Dr. Hunt has referred to the provisions of VA Circular 105, 1946, and to the policy of the university in scheduling 20 hours of work in VA installations during each week of the academic year. This, as I understand it, is the basic workweek to be reported on the form required quarterly in connection with subsistence allowances under Public Law 346. Any work in excess of 20 hours is to be reported as occasional overtime. I request that this understanding be corroborated in writing.

3. If this interpretation is correct, I would appreciate a written statement to make it official, so that the information can be passed on to the 4 universities participating in the program. If it is not too much trouble, I would like to have 7 signed copies, 1 for each of the universities, 1 for VARO, San Francisco, and 1 for VARO, Los Angeles, retaining 1 copy for my files. If the copies are addressed to me, I will endorse them to the universities and stations for their information.

4. I appreciate your interest in helping us to clarify this matter, which is of paramount importance to the students involved in the training program, and, hence, to VA.

H. M. HILDRETH.

Attachment: Letter, May 8, 1947.

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UNITED STATES GOVERNMENT,
June 4, 1947.

Office memorandum.
To: Director, Personnel Service.
From: Director, Vocational Rehabilitation and Education Service.
Subject: Clinical psychology students.

1. In accordance with the recommendation of the Director of Finance (June 2, 1947, SF4/MFM:mcw) that the interpretation of the regular workweek of students taking a course in clinical psychology be verified in writing, we hereby concur fully in the statement made by Dr. H. M. Hildreth, branch chief clinical psychologist, Medical Service.

2. It is suggested, however, that it might be well to obtain written corroboration from each of the regional office managers involved since determinations of this kind are one of their prerogatives.

O. W. PRICE.

No evidence has been developed that any official action was ever taken, with respect to the "understanding" by the Veterans' Administration Branch Office, nor that the Veterans' Administration Regional Office, San Francisco, was ever informed thereof. However, it is the recollection of the then branch chief, Clinical Psychology Division, that he viewed these memorandums as a "ruling" and informally informed the coordinators of training at the University of California and Stanford University to that effect.

In addition, the following extract from a letter dated May 21, 1951, from the area chief clinical psychologist in San Francisco (who succeeded Dr. Hildreth as chief, Clinical Psychology Division, at Veterans' Administration Branch Office No. 12) may be informative as to the then existing climate of opinion.

"It was not until approximately July 1950 that I learned there was any question regarding overpayment of subsistence allowances to clinical psychology trainees, although when I came on duty in September 1947 I became aware of the fact that a question had arisen some months previously in connection with subsistence payments and extra hours to be worked by clinical psychology trainees but that this question had been settled and was no longer a problem. Subsequently trainees continued to submit reports of estimated earnings, and actual earnings in the way they understood they were supposed to and, as far as I know, were not informed by anyone that they may have been following an incorrect procedure until the summer of 1950."

The cases of several of these trainees were submitted to the Veterans' Administration Central Committee on Waivers and Forfeitures for consideration of possible forfeiture of all rights, claims, and benefits to which the veterans might otherwise be entitled, pursuant to section 15, Public Law 2, 73d Congress (48 Stat. 11; 38 U. S. C. 715), and subsection 1500 (a) of the Servicemen's Readjustment Act of 1944 (58 Stat. 300), as amended (38 U. S. C. 697), on the basis of the presentation of false or fraudulent evidence concerning their income. After reviewing the facts the committee concluded that it was not shown beyond a reasonable doubt that their estimate of earnings, or other evidence submitted by them concerning their claim for training and for subsistence allowances, was knowingly false or fraudulent. It was, therefore, held that they had not forfeited any rights, claims, or benefits to which they might be entitled.

Thereafter, the question of whether the overpayment should be waived was considered by the committee on waivers of the San Francisco regional office. Although the jurisdiction of that committee is limited to cases of overpayments of less than $500, cases of the subject trainees which involved overpayments greater than that amount were submitted to the committee for a recommendation. The decision, or recommendation, in each such case was against waiver, which action was affirmed by the Central Committee on Waivers and Forfeitures. Representative cases were appealed to the Board of Veterans' Appeals, which, likewise, concluded that waiver was not in order.

As the cases were reviewed by the Board on an individual basis and each had slightly different facts, no one decision of the Board can appropriately be cited as typifying the Board's views. As an overall matter, the Board was of the opinion that the veteran-trainees could not be considered as without fault in creating the overpayments. In some instances, however, the Board felt it more appropriate to hold that recovery of the overpayment would not defeat the purpose of benefits otherwise authorized or be against equity and good conscience, rather than predicating the decision solely on the question of fault.

During the 83d Congress, the Veterans' Administration reported to the Committee on the Judiciary, House of Representatives, adversely with respect to

three private bills of that Congress (H. R. 4699, H. R. 5386, and H. R. 5947) to relieve named individuals within the subject group from liability to refund the overpayments set up in these cases. It was the view of the Veterans' Administration that such bills were discriminatory in that they would afford special relief to certain persons which would not be available to others similarly circumstanced.

H. R. 1761, 84th Congress, is a general bill and is designed to relieve all of the affected groups from the University of California and Stanford University. It would not only waive the overpayments remaining unpaid but would authorize the repayment of amounts heretofore collected as overpayments. It may be noted that the authority of the Veterans' Administration to waive recovery of overpayments in appropriate cases does not carry with it the power to return moneys theretofore collected.

It is undisputed that the group of veteran trainees received moneys from the Federal Government in excess of that to which they were entitled under existing law. The bill proposes to relieve them from liability on the ground that they relied upon an erroneous interpretation of the law. In the adjudications related to specific cases it was held that while a basis for forfeiture of benefits had not been established, on the other hand, a clear and convincing case for waiver of the overpayments had not been sustained in accordance with governing criteria. However, upon review of all facts and evidence in these cases, it is recognized that the matter presents elements of equity evolving from a complex of circumstances which the committee may consider as an appropriate basis for favorable consideration, to which the Veterans' Administration would interpose no objection.

Twenty-eight veterans have been identified with the clinical psychology training program at the University of California and a total overpayment of $27,029.58 in subsistence allowance was made to this group. Eighteen veterans have been identified with the program at Stanford University. Of the group the subsistence allowance accounts are known as to 5 veterans and reflect overpayments totaling $3,628.32. Substantial recoveries have been effected. For example, as of August 1954, $11,188.76 had been recovered from 21 of the veterans who trained at the University of California, out of an original amount of $20,272.27.

Advice has been received from the Bureau of the Budget that there would be no objection by that office to the submission of this report to your committee.

Sincerely yours,

JOHN S. PATTERSON,
Deputy Administrator
(For and in the absence of H. V. Higley, Administrator).

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington 25, March 15, 1955.

Hon. EMANUEL CELLER,
Chairman, Committee on the Judiciary,
House of Representatives.

DEAR MR. CHAIRMAN: Reference is made to your letter dated February 4, 1955, acknowledged by telephone on February 7, requesting a report on H. R. 1761, 84th Congress.

A report was made to your committee on August 27, 1954, concerning a somewhat similar bill, H. R. 9739, 83d Congress.

Paragraph 6, part VIII, Veterans Regulation No. 1 (a), as amended (38 U. S. C., ch. 12A), provides for a subsistence allowance to veterans while enrolled in and pursuing a course under such regulations. Such section further provides, where a veteran has earnings from outside employment, that the amount of compensation from such employment, together with the subsistence allowance, shall not exceed certain maximum amounts permitted under the regulation for the combined compensation and allowances. In determining the maximum allowances payable, only that compensation earned as part of the standard workweek for the particular trade or industry, excluding overtime, is required to be considered with the subsistence allowance. See section 1 of the act of May 4, 1948 (62 Stat. 208).

A report of the circumstances giving rise to the proposed legislation is found in House Report No. 1231 in connection with H. R. 4699, 83d Congress. The report indicates that the overpayments resulted from a misunderstanding among the officials of the Veterans' Administration, the University of California, and Stanford University as to what constituted the standard workweek for the clinical psychology trainees involved who were employed on a part-time basis by the Veterans' Administration. It appears that the veterans involved, relying upon

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information given by the coordinator of the training program at the universities that the standard workweek was 20 hours per week, and that work in excess thereof was incidental overtime, failed to report their earnings for periods in excess of 20 hours per week for use in determining the amount of subsistence allowance payable pursuant to the veterans regulation referred to above, and the overpayments resulted therefrom.

Since 20 hours do not represent the standard workweek of clinical psychologists, the information relied upon by the veterans appears so erroneous that they may not have been justified in relying thereon. However, if the Congress should determine, considering the erroneous information furnished to the veterans by persons presumably informed on the subject, that the overpayments should be waived, this Office would have no objection to relieving them of the obligation to refund the amounts overpaid to them. Also, if favorable consideration is to be given to waiving recovery of amounts overpaid, it would appear equitable to refund amounts collected from certain of the veterans on account of the overpayments, and we would have no objection to the inclusion of the repayment provision in section 2.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

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Calendar No. 2373

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2349

OPPOSING THE SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

JUNE 25 (legislative day, JUNE 22), 1956.—Ordered to be printed

Mr. EASTLAND, from the Committee on the Judiciary, submitted the following

REPORT

[To accompany S. Res. 296]

The Committee on the Judiciary, to which was referred certain cases in which the Attorney General has suspended deportation, having considered the same, reports unfavorably on three of said cases, and recommends that Senate Resolution 296 with reference to such cases be agreed to.

PURPOSE OF THE RESOLUTION

The purpose of the resolution is to record unfavorable action on three cases in which the Attorney General has suspended deportation pursuant to section 244 (a) (1) of the Immigration and Nationality Act (8 U. S. C. 1254 (a) (1)).

STATEMENT OF FACTS

The resolution states that the Senate does not favor the suspension of deportation in three cases in which the Attorney General has suspended deportation pursuant to section 244 (a) (1) of the Immigration and Nationality Act. It relates to certain cases in which the Attorney General has exercised the discretionary authority granted to him under the Immigration and Nationality Act to suspend the deportation of certain aliens. The cases were referred to the Congress by the Attorney General under the procedure prescribed in the act which provides that unless either the Senate or the House of Representatives passes a resolution stating in substance that it does not favor the suspension of deportation, the Attorney General shall cancel deportation proceedings and adjust the status of the alien to that of an alien lawfully admitted for permanent residence.

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Under the provisions of section 244 (a) (1) of the Immigration and Nationality Act, the Attorney General is granted discretionary authority, upon application by the alien, to adjust the status of certain aliens upon a showing by such an alien (1) that he is not an alien who is deportable as a subversive, criminal, immoral person, or for a physical or mental defect; (2) that application was made to the Attorney General within 5 years after December 24, 1952; (3) that he has been physically present in the United States for a continuous period of not less than 7 years immediately preceding the date of his application; (4) that he is and was a person of good moral character during the required period of physical presence; and (5) that he is a person whose deportation would, in the opinion of the Attorney General, result in exceptional and extremely unusual hardship to himself or to his spouse, parent, or child, who is a citizen or an alien lawfully admitted for permanent residence. The Attorney General is required to report each case in which he suspends deportation under section 244 (a) (1) of the act to the Congress and if during the session of Congress in which a case was reported or during the following session of Congress, neither the Senate nor the House of Representatives passes a resolution stating that it does not favor the suspension of deportation, the Attorney General is authorized to cancel the deportation proceedings.

These 3 cases are among 400 cases referred to the Congress during the 1st session of the 84th Congress pursuant to the provisions of section 244 (a) (1). Of the cases referred during that period, 5 have been withdrawn by the Attorney General. The committee, after carefully reviewing all the facts in the cases referred to in the resolution, has found that there are insufficient equities present to justify suspension of deportation in these three cases.

The committee, after consideration of all the facts in each case referred to in the resolution (S. Res. 296), recommends that Senate Resolution 296 be agreed to.

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Calendar No. 2374

84TH CONGRESS, 2d Session } SENATE { REPORT No. 2350

AMENDING TITLE 18, UNITED STATES CODE, PROHIBITING MISUSE BY COLLECTING AGENCIES OF NAMES, EMBLEMS, AND INSIGNIA

JUNE 25 (legislative day, JUNE 22), 1956.—Ordered to be printed

Mr. DANIEL, from the Committee on the Judiciary, submitted the following

REPORT

[To accompany S. 2017]

The Committee on the Judiciary, to which was referred the bill (S. 2017) to amend title 18 of the United States Code so as to prohibit the misuse by collecting agencies of names, emblems, and insignia to indicate Federal agency, having considered the same, reports favorably thereon with amendments and recommends that the bill, as amended, do pass.

AMENDMENTS

1. On page 1, line 6, following the word "agencies", add the following: "or private detective agencies".
2. On page 1, line 9, following the word "obligations," add the following:

> or being engaged in furnishing private police, investigation or other private detective services,

3. On page 2, following line 9, add the following new section:

> SEC. 2. The provisions of this section shall become effective 60 days from the enactment thereof.

4. On page 2, line 10, strike the figure "2" and insert in lieu thereof the figure "3".
5. Amend the title to read:

> To amend title 18 of the United States Code so as to prohibit the misuse by collecting agencies or private detective agencies of names, emblems and insignia to indicate Federal agency.

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PURPOSE OF AMENDMENTS

The bill has been amended to include in the prohibition persons engaged in a private-detective business and to include a savings clause for reasons stated, infra.

PURPOSE

The purpose of the proposed legislation, as amended, is to amend chapter 33 of title 18, United States Code, by the insertion of a new section which would prohibit the use by any collecting or private-detective agency of any word, emblem, insignia, or name, for the purpose of conveying or reasonably calculated to convey the false impression that such agency is a department, agency, bureau, or instrumentality of the United States, and including a criminal sanction for such misuse.

STATEMENT

This bill would add a new section to title 18, United States Code, which would prohibit a person—

> being engaged in the business of collecting or aiding in the collection of private debts or obligations, or being engaged in furnishing private police, investigation or other private detective services—

who—

> uses as part of the firm name of such business, or employs in any communication, correspondence, notice, advertisement, or circular the words "national", "Federal", or "United States", the initials "U. S.", or any emblem, insignia, or name, for the purpose of conveying and in a manner reasonably calculated to convey the false impression that such business is a department, agency, bureau, or instrumentality of the United States or in any manner represents the United States, shall be fined not more than $10,000 and imprisoned not more than ten years, or both.

The Department of Justice report states:

> * * * For example, records of the Department of Justice indicate that complaints have been received concerning firms operating under styles such as "Reverification Office" and "Claims Office." Such a name, when coupled with a Washington, D. C., mailing address, could easily cause some persons to believe that the organization is an agency of the United States. The question is raised, however, whether such firm names may be considered as "reasonably calculated to convey the false impression that such business is a department, agency, bureau, or instrumentality of the United States * * *."
>
> Department records also disclose complaints that certain private detective agencies have used as a part of their names words such as "United States", "Federal", etc. The committee may wish, in connection with the pending legislation, to consider this problem as well as that to which the bill is addressed.

The proposed new section 712, in its first section, sets up the criteria of such misuse, or misleading use, of words or insignia and the section also provides a penalty of a fine of not more than $10,000 and imprisonment of not more than 10 years, or both. The Department of Justice made no recommendation with regard to the bill inasmuch as it considers it to be a policy question.

The Department of Justice suggested, however, that if the bill were favorably considered that the bill be amended to include private detective agencies in its prohibition. Inasmuch as the activities sometimes overlap, but particularly in view of the fact that citizens are sometimes deceived as to the nature of businesses operating in these areas, the committee is constrained to agree to the suggestion of the Justice Department and accordingly the bill has been amended. The committee feels that when some gullible persons, and some not so gullible, are deceived into thinking that such businesses are Government agencies or have Government approval for their operations, it not only misleads them but could reflect discredit on the Federal Government.

The Department report also questions the severity of the punishment, particularly in comparison with section 709. With regard to the relative severity of he punishment set forth in this bill and the penalty contained in present section 709, it is pointed out that the committee now has also reported another bill (S. 2891) which would increase the penalty in section 709 and in view of the fact that the record indicates that there has been considerable flagrant abuse and misrepresentation in this field, the committee does not believe that the penalty provided herein is excessive.

Section 709, title 18, United States Code, as presently worded, provides a penalty of a fine of $1,000 in a case of a corporation, partnership, etc., and a fine of $1,000 or 1 year imprisonment, or both, for any officer or employee thereof convicted of violating this section. This section applies to firms engaging in banking, loan, building and loan, brokerage, insurance, etc., businesses. This section further has a proviso that the bill is not intended to make unlawful that which was lawful on the date of enactment and secondarily, it will not make unlawful the use of the word "National" as a part of the firm name of an insurance or indemnity company either before or after the enactment.

As to the savings clause, while the committee feels that insofar as many cases have indicated that corporations operating as collection agencies have deliberately set up the corporate title and other indicia used in connection with the business to misrepresent and imply Federal agency to the persons from whom they seek to collect, that the ex post facto provision of the Constitution will provide such persons with whatever protection they may be entitled to. However, in view of the use of the savings clause in the similar section, the committee is constrained to amend the bill to include a savings clause.

After careful consideration of the foregoing facts, the committee recommends that this bill, as amended, be favorably considered.

Attached hereto and made a part hereof is the report of the Department of Justice in connection with this measure.

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DEPARTMENT OF JUSTICE,
Washington, D. C., September 13, 1955.

Hon. HARLEY M. KILGORE,
Chairman, Committee on the Judiciary,
United States Senate, Washington, D. C.

DEAR SENATOR: This is in response to your request for the views of the Department of Justice concerning the bill (S. 2017) to amend title 18 of the United States Code so as to prohibit the misuse by collecting agencies of names, emblems, and insignia to indicate Federal agency.

The bill would amend title 18 of the United States Code so as to add to it a new section 712. The section would provide that whoever, "being engaged in the business of collecting or aiding in the collection of private debts or obligations, uses as part of the firm name of such business, or employs in any communication, correspondence, notice, advertisement, or circular the words 'national', 'Federal', or 'United States', the initials 'U. S.', or any emblem, insignia, or name, for the purpose of conveying and in a manner reasonably calculated to convey the false impression that such business is a department, agency, bureau, or instrumentality of the United States or in any manner represents the United States, shall be fined not more than $10,000 and imprisoned not more than ten years, or both."

Whether legislation such as this should be enacted constitutes a question of policy concerning which the Department of Justice prefers to make no recommendation. There are certain features of the proposal, however, to which the committee may wish to give further consideration. The proposed legislation is of a type similar to that contained in present section 709, yet the penalty provided for in S. 2017 is substantially greater than that provided in section 709. Section 709 specifically provides that it "shall not make unlawful the use of any name or title which was lawful on the date of enactment of this title." No such savings provisions is contained in the legislation under consideration.

The committee may wish also to consider whether the legislation is likely to accomplish its primary purpose. For example, records of the Department of Justice indicate that complaints have been received concerning firms operating under styles such as "Reverification Office" and "Claims Office." Such a name, when coupled with a Washington, D. C., mailing address, could easily cause some persons to believe that the organization is an agency of the United States. The question is raised, however, whether such firm names may be considered as "reasonably calculated to convey the false impression that such business is a department, agency, bureau, or instrumentality of the United States. * * *"

Department records also disclose complaints that certain private detective agencies have used as a part of their names words such as "United States, "Federal," etc. The committee may wish, in connection with the pending legislation, to consider this problem as well as that to which the bill is addressed.

The Bureau of the Budget has advised that there is no objection to the submission of this report.

Sincerely,

WILLIAM P. ROGERS,
Deputy Attorney General.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

TITLE 18—CRIMINAL CODE AND CRIMINAL PROCEDURE

* * * * * * *

Chapter 33. EMBLEMS, INSIGNIA AND NAMES

* * * * * * *

"§ 712. Misuse of names by collecting agencies or private detective agencies to indicate Federal agency

"Whoever, being engaged in the business of collecting or aiding in the collection of private debts or obligations, or being engaged in furnishing private police, investigation, or other private detective services, uses as part of the firm name os such business, or employs in any communication, correspondence, notice, advertisement, or circular the words "national", "Federal", or "United States", the initials "U. S.", or any emblem, insignia, or name, for the purpose of conveying and in a manner reasonably calculated to convey the false impression that such business is a department, agency, bureau, or instrumentality of the United States or in any manner represents the United States, shall be fined not more than $10,000 and imprisoned not more than ten years, or both."

SEC. 2. The provisions of this section shall become effective sixty days from the enactment thereof.

SEC. 3. The analysis of chapter 33 of title 18 of the United States Code which immediately precedes section 701 of such title is amended by adding at the end thereof the following:

"Sec. 712. Misuse of names by collecting agencies to indicate Federal agency.".

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Calendar No. 2375

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2351

PROHIBITION AGAINST THE USE OF THE INITIALS "U. S." IN ADVERTISING BY PRIVATE FIRMS

JUNE 25 (legislative day, JUNE 22), 1956.—Ordered to be printed

Mr. DANIEL, from the Committee on the Judiciary, submitted the following

REPORT

[To accompany S. 2891]

The Committee on the Judiciary, to which was referred the bill (S. 2891) to amend section 709 of title 18 of the United States Code so as to prohibit the use by certain businesses of the initials "U. S." in the business or firm name or pictures of the Capitol Building and other public buildings of the United States in their advertising, and to increase the penalties for violation of such section, having considered the same, reports favorably thereon, with an amendment, and recommends that the bill, as amended, do pass.

AMENDMENT

On page 2, line 17, strike the comma and all down to and including the quotation marks on line 20.

PURPOSE OF AMENDMENT

The purpose of the proposed amendment is to delete the proposed increase in the criminal penalty for violation of section 709 of title 18.

PURPOSE

The purpose of the proposed legislation as amended is to enlarge the prohibition against false and misleading advertising by investment and bank companies. Specifically, the bill would prohibit the use of the initials "U. S." in the firm or business names of such companies, and the use of pictures of the Capitol or other public buildings in the advertising when it would be reasonably calculated to convey the false impression that the company had some connection with, or was insured by, the United States Government.

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STATEMENT

Section 709 of title 18, United States Code, prohibits those engaged in banking, loan, building and loan, brokerage, factorage, insurance, indemnity, savings, or trust business, from using the words "national," "Federal", "United States", "reserve", "Deposit Insurance", as a part of a business or firm name. Violators are subject to the general penalty provision of the section which specifies a fine of not more than $1,000 and/or imprisonment for not more than 1 year. To this list, the instant bill would add a prohibition against use of the initials "U. S." as a part of the business or firm name. It would also prohibit the use of the Capitol or other public building as a part of the advertising by such businesses if the use is reasonably calculated to convey the false impression that the business has some connection with a Government agency.

The need for these additions to the general law became apparent recently in the case of a Texas company which used the initials "U. S." in its firm name, and which also advertised on its stationery and television program with pictures of the U. S. Capitol in the background, using the slogan "You can put your trust in the U. S. Trust." Some persons who invested their life savings in this company were induced by the advertising to believe that the deposits in this company would be insured or guaranteed by the United States Government. When the company became insolvent, these persons discovered, to their chagrin, that no such protection was afforded. A bill such as this would prevent a recurrence of this type of situation where many innocent victims are severely injured financially.

The committee believes this legislation should be adopted. It is readily apparent that the prohibition against use of the words "United States" in a firm's title is not entirely effective as long as a firm may use the initials "U. S." and thereby convey the same impression. The Congress, in approving the original statute has already gone on record as being opposed to the use of words in the title of a business which may reasonably be calculated to deceive the unsuspecting and the unwary. The instant legislation is a necessary extension of the earlier action taken by the Congress.

Attached to this report is the letter from the Deputy Attorney General under date of March 13, 1956, in which the Department makes the following statement:

> Whether this legislation should be enacted constitutes a question of policy concerning which the Department of Justice prefers to make no recommendation. Question is raised, however, as to whether the amendment of the penalty provision of the section as proposed, is too severe in relation to the penalties provided for other offenses throughout the Criminal Code and from the standpoint of the practical administration of the statute.

As previously noted, the committee has amended this bill in accordance with the suggestion contained in the last sentence of the quoted paragraph. The only change in the penalty, therefore, which the committee recommends is that the maximum fine be increased from $1,000 to $10,000. The committee believes that this represents a more suitable deterrent for the violation outlined in section 709 of the Federal Criminal Code.

DEPARTMENT OF JUSTICE,
OFFICE OF THE DEPUTY ATTORNEY GENERAL,
Washington, D. C., March 13, 1956.

Hon. JAMES O. EASTLAND,
Chairman, Committee on the Judiciary,
United States Senate, Washington, D. C.

DEAR SENATOR: This is in response to your request for the views of the Department of Justice relative to the bill (S. 2891) to amend section 709 of title 18 of the United States Code so as to prohibit the use by certain businesses of the initials "U. S." in the business or firm name or pictures of the Capitol Building and other public buildings of the United States in their advertising, and to increase the penalties for violation of such section.

The first paragraph of section 709 of title 18, United States Code, prohibits those engaged in the banking, loan, building and loan, brokerage, factorage, insurance, indemnity, savings, or trust business from using the words "national", "Federal", "United States", "reserve", or "Deposit Insurance" as part of a business or firm name. Violators are subject to the general penalty provision of the section which specifies a fine of not more than $1,000 and/or imprisonment for not more than 1 year.

The bill would amend the first paragraph of section 709 so as to add to the list of proscribed words the initials "U. S.", and to prohibit the use in any advertisement of "a picture of the Capitol Building or any other public building of the United States in a manner reasonably calculated to convey the false impression that such person or entity is a Government agency or is connected with any Government agency, or that such business, or the deposits, liabilities, obligations, certificates, or shares thereof, are insured or guaranteed by the United States or any instrumentality thereof."

It would also amend the penalty provisions of the section so as to increase the maximum fine to $10,000 and to change the maximum term of imprisonment from "not more than one year" to "not less than one year."

Whether this legislation should be enacted constitutes a question of policy concerning which the Department of Justice prefers to make no recommendation. Question is raised, however, as to whether the amendment of the penalty provision of the section as proposed, is too severe in relation to the penalties provided for other offenses throughout the Criminal Code and from the standpoint of the practical administration of the statute.

The Bureau of the Budget has advised that there is no objection to the submission of this report.

Sincerely,

WILLIAM P. ROGERS,
Deputy Attorney General.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

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TITLE 18, UNITED STATES CODE

* * * * * * *

§ 709. False advertising or misuse of names to indicate Federal agency

[Whoever, except as permitted by the laws of the United States, uses the words "national", "Federal", "United States", "reserve", or "Deposit Insurance" as part of the business or firm name of a person, corporation, partnership, business trust, association or other business entity engaged in the banking, loan, building and loan, brokerage, factorage, insurance, indemnity, savings or trust business; or]

Whoever as a person, corporation, partnership, business trust, association, or other business entity, engaged in the banking, loan, building and loan, brokerage, factorage, insurance, indemnity, savings, or trust business, except as permitted by the laws of the United States, (1) uses the words "national", "Federal", "United States", "reserve", "Deposit Insurance", or the letters "U. S.", as part of the business or firm name of such person, corporation, partnership, business trust, association or other business entity; or (2) uses in any advertisement a picture of the Capitol building or any other public building of the United States in a manner reasonably calculated to convey the false impression that such person or entity is a Government agency or is connected with any Government agency, or that such business, or the deposits, liabilities, obligations, certificates, or shares thereof, are insured or guaranteed by the United States or any instrumentality thereof; or

* * * * * * *

Shall be punished as follows: a corporation, partnership, business trust, association, or other business entity, by a fine of not more than [$1,000] *$10,000*; an officer or member thereof participating or knowingly acquiescing in such violation or any individual violating this section, by a fine of not more than [$1,000] *$10,000* or imprisonment for not more than one year, or both.

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